Calendar No. 105

98TH CONGRESS *1st Session*	SENATE	REPORT No. 98-66

TO ESTABLISH A COMMISSION ON MORE EFFECTIVE GOVERNMENT

REPORT

OF THE

COMMITTEE ON GOVERNMENTAL AFFAIRS

UNITED STATES SENATE

TO ACCOMPANY

S. 35

TO ESTABLISH A COMMISSION ON MORE EFFECTIVE GOVERNMENT, WITH THE DECLARED OBJECTIVE OF IMPROVING THE QUALITY OF GOVERNMENT IN THE UNITED STATES AND OF RESTORING PUBLIC CONFIDENCE IN GOVERNMENT AT ALL LEVELS

APRIL 26, 1983.—Ordered to be printed

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ESTABLISHING A COMMISSION ON MORE EFFECTIVE GOVERNMENT

APRIL 26, 1983.—Ordered to be printed

Mr. ROTH, from the Committee on Governmental Affairs, submitted the following

REPORT

[To accompany S. 35]

The Committee on Governmental Affairs, to which was referred the bill (S. 35) to establish a Commission on More Effective Government, with the declared objective of improving the quality of government in the United States and of restoring public confidence in government at all levels, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

PURPOSE

S. 35, to create a Commission on More Effective Government, as amended, would establish an 18 member, bipartisan panel of distinguished American citizens from the Congress, from the executive branch, and from private life, to examine the performance of our Nation's public institutions and to make recommendations for change. The legislation directs the Commission to focus its study on the management, organization, and operations of the executive branch of the Federal Government, and its relationships with the other branches of government, with the State and local governments, and the private sector. The Commission's findings will be used to improve government by encouraging public awareness and building the consensus required for the implementation of its recommendations.

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SUMMARY—S. 35

On January 26, 1983, Senators Roth and Eagleton introduced S. 35, to create a Commission on More Effective Government. The bill was reported favorably by the Committee on Governmental Affairs on March 17.

The legislation is modeled after the review commission initiated by the Congress under the leadership of President Truman and headed by former President Hoover in 1947–49. Like its predecessor body, the chief objective of the Commission authorized by S. 35 is to develop recommendations which can improve the effectiveness of government and eliminate many of the structural problems which prevent agencies from managing programs efficiently. When put into effect, effective reforms based on such recommendations will help reverse the dismaying decline in public trust in governmental institutions.

Federal expenditures and activities have expanded enormously over the past two and a half decades, and the relationships between the Federal Government and this nation's citizens, its private sector and its other levels of government have grown increasingly tangled and complex. This legislation proposes that the Commission look in depth at the structure and operation of the Federal Executive Branch and at how these factors, together with the relationships which have developed among units of that branch with each other, with other levels of government and with our private institutions, affect the quality and efficiency of delivery of governmental services.

Based on this review, the Commission is to report within twenty-four months to the Congress and the President its final recommendaitons for improving governmental effectiveness, accountability and economy in meeting its responsibilities now and in the future. To avoid unnecessary duplicaiton, the Commission is directed to review the large body of relevant information on improving the structure and operation of government already gathered by various public and private institutions and individuals.

Commission membership will include eighteen persons with records of accomplishment in government or private life or both. The group will be a bipartisan one appointed jointly by the Executive Branch and the Congress. The leadership of both Houses of Congress and the President will each appoint six Commissioners.

It has been thirty years since the Legislative and Executive Branches have collegially sponsored an effort to bring this country's best leadership talent and intellectual resources to bear on problems of government. Doing so again is the primary objective of S. 35.

HISTORY OF COMMITTEE CONSIDERATION OF S. 10, PREDECESSOR TO S. 35

S. 35 is identical to S. 10, except for two technical changes (discussed in a subsequent section). Therefore, an understanding of S. 10 and Governmental Affairs Committee and Senate deliberations upon it is very useful to understanding the intent and provisions of S. 35. The next sections set out in some detail the history of Com-

mittee consideration of S. 10, which was originally introduced by Senator Roth and Senator Eagleton on January 5, 1981.

Committee Hearings on S. 10

The Committee held hearings on S. 10 on April 28, 1981 and on May 20, 1981. At the Committee hearings, Dr. Edwin Harper, Deputy Director of the Office of Management and Budget testified in support of the Bill. Additional endorsements for the legislation were given by Congressman Frank Horton, the Ranking Minority Member of the House Government Operations Committee, by Congressman Richard Bolling, the primary sponsor of the companion legislation in the House of Representatives, and Mr. Milton Socolar, Acting Comptroller General of the United States. In his statement Dr. Harper explained why the Administration supports the creation of the Commission:

> President Reagan shares with you a conviction that the operation of government can be, in fact must be, vastly improved. A clear perception from the 1980 elections is that the American people demand improvement in their government as the price for their renewed confidence in our basic institutions of public leadership. We heartily endorse the Commission proposed in S. 10 and pledge to cooperate fully with it in meeting its demanding challenge. We accept the premise of S. 10 that an independent, bipartisan study commission jointly sponsored by Congress and the President and comprised of senior and highly qualified persons from both inside and outside of government can contribute very significantly to the review and reform of government. Such a commission can be a very positive force, not only in identifying improvements which should be pursued, but also in helping to create the awareness and desire for change that is vital in overcoming the inertia and resistance that inevitably confronts major reform.

In expressing his backing for the legislation, Congressman Horton stated:

> There are a number of reasons to feel that the time is now right for a reexamination. Foremost among these is the pervasive feeling that government is not functioning properly. Since the second Hoover Commission, government at all levels has experienced explosive growth. The negative effects of uncontrolled government—poor quality services, waste, inflation, and reduced productivity—threaten to overwhelm the important benefits brought by many government programs.
>
> Also, there is a rough consensus emerging from recent reports and studies that our society will face tremendous challenges in the decade of the 1980's and that these challenges may well necessitate an overhauling and rethinking of the way government functions:
>
> For these reasons, I feel that it is important that we step back, think about the problems of government in broad

terms and try to come up with some new principles to guide us in the coming years.

In his statement, then Congressman Bolling provided a thorough outline of the way in which the Commission might operate, emphasizing particularly the importance of citizen involvement in the work of the Commission. In regard to this point the Congressman said:

> I would again stress that I see the Commission's work as a coalition-building process, it must involve the general public and build the kind of audience that the first Hoover Commission did. In that regard, it is essential that there be an outside group like the Citizen's Committee for the Hoover Commission. Otherwise, its reports will lie unheeded on shelves with many of the other important reports of the last twenty years.
>
> The Commission ought to make extensive use of public hearings. The main Commission can only do so much, but its task forces ought to use the public-hearing process. It ought to involve the interests whose programs are being examined in those hearings. But it ought not to rely on hearings held in Washington. The task forces should go out to the field, look at the actuality of federal programs, and results. * * *

Mr. Socolar in his testimony stressed the importance of follow-up to the Commission's recomendations by stating:

> The General Accounting Office has a long-standing interest in issues of governmental organization, effective public management, and the appropriate mechanisms for service delivery. We would expect to work closely with the Commission, if established, and to follow-up and report to the Congress on the implementation of its recommendations.

In addition to the statements taken from these individuals, the Committee also took supportive testimony from representatives of the business and academic communities, State and local governments and a number of groups dedicated to improving governmental efficiency and effectiveness. The amendment in the form of a substitute accepted by the Committee at the mark-up on July 9th reflected the constructive comments made by these individuals.

Committee Changes to S. 10

The Committee gave considered attention to the hearing testimony and to statements submitted for the record on S. 10, and made a number of changes. Several of those who testified urged that while the Commission should and must be given wide latitude in setting its agenda, the Committee and the Congress should strive to the fullest extent possible to provide authoritative guidance. Some concern was expressed that the language of the mandate section of S. 10 as introduced was too amorphous and provided insufficient indications of congressional study priorities. Several commentators also expressed concern that S. 10 appeared to create a dual mandate for

two essentially separate and coequal studies—one on Federal Government questions and one on intergovernmental questions—*either* of which could quickly exhaust the Commission's time and resources.

In the version of S. 10 marked up by the Committee the mandate was expressed as a unified charge involving both Federal Government and intergovernmental relations concerns, and including the relationship of government at all levels to the private sector. To give sharper focus to Commission inquiry, the primary operative phrase in the charge is expressed in terms more similar to the previous "Hoover" style commissions: a study of the management, organization and operation of the executive branch. Section (3)a then made clear that an essential component of this study is the relationship between the Federal executive branch and State and local governments. The importance of the intergovernmental relations questions was further emphasized by the requirement in section 4 that several Commission members have previous experience with state and local government operations.

The mandate of section 3 also was changed to specify that a legitimate area of Commission inquiry is the relationship of the executive branch entities "to the other branches of the federal government." This change reflected the views of a number of commentators who urged the Committee to make clear the appropriateness of Commission inquiry into government reform issues involving the role of Congress and the courts. Under the terms of the S. 10 mandate the touchstone for inquiry into the role of Congress and the courts was to be the Commission's belief that the relationship of these entities to executive branch entities raised important concerns about Federal Government management, operation or organization. Among other things, the language was not intended as a roving charter for the study of congressional organization or operations per se. Nor, would it be appropriate, given the parameters set in section (3)a, for the Commission to look into the merits of particular court decisions, e.g., on such controversial topics as busing, school prayer or affirmative action.

The changes in section 3 also clarified the degree to which the Commission was to evaluate individual government programs. The formulation approved by the Committee steered a middle ground between the extremes of the Commission making an artifical distinction between "policy" and "procedure", on one hand and evaluating the substantive merits of particular governmental policies on the other. Under current section (3)a, of S. 10 government policies were to be appropriate bases for review only where they "detract from or enhance governmental management, operation and organization."

Under this standard, for example, the Commission was not intended to read its mandate as permitting an inquiry into whether present Federal welfare laws and policies, and the benefits provided therein, are appropriate on equity, fiscal or other grounds. Such an inquiry would duplicate the work performed by previous expert bodies and could needlessly embroil the Commission in a controversy that would distract it from its job of achieving consensus on important matters of government management, organization and operation. However, depending upon the way the Commis-

sion divides its agenda, it might be appropriate for the Commission to examine whether cumbersome, duplicative or contradictory aspects of the eligibility criteria in present welfare laws serve to complicate the processes of Federal, State or local agency administration.

Further changes in section 3 stressed the Commission's obligation to seek examples of successful governmental operation which could be emulated elsewhere and clarified the Commission's charter to consider the impact of the policy process on the conduct of government as opposed to passing judgment on the policy itself. The Commission is urged also to avoid duplicating previous efforts by availing itself of relevant information gathered by other commissions, public and private organizations and students of governmental operation.

Section 4, which set forth the make-up of the Commission, was changed to broaden the discretion of the appointing authorities to achieve a membership, from government and private life, of balance and stature so absolutely essential to the Commission's success. The revised legislation provided greater opportunity for the appointment of former Members of Congress and the executive branch who possess invaluable experience in government and who generally have more time to participate in the work of the Commission than those who currently serve in government. Because intergovernmental relationships would be an important aspect of the Commission's agenda, the measure called for at least three members of the Commission to have experience in government at the State or local level. Additionally, whereas section 4 originally called for the appointment of six individuals not affiliated with any political party, the section was changed to stipulate that six members shall be individuals who are not engaged in partisan political activity at the time of appointment. This refinement was made to prevent Commission membership from being an incidental stepping stone in a political career, while ensuring participation by qualified private citizens.

A number of other technical changes were made as well. To strengthen the collegiality of the effort, the Commission was required to report to both the President and the Congress. The importance of public involvement was heeded by the strengthened public hearing language. The follow-up action called for by several of the witnesses was ensured by new provisions for staff work after the Commission ceases to exist, for a General Accounting Office monitoring role, and for involvement of the Office of Management and Budget in the implementation of the Commission's recommendations.

Committee Markup of S. 10

The Committee began its mark-up of S. 10 on July 9 by agreeing to accept an amendment in the nature of a substitute which contained the several changes discussed in the previous section.

The Committee also accepted two amendments offered by Senator Levin. One of the amendments provided that if a vacancy occurs on the Commission, the vacancy would be filled by a person from the same political party as his or her predecessor. This

amendment clarified the intention of S. 10, section (4)e, that vacancies would be filled "in the manner in which the original appointment was made." The other amendment accepted by the Committee added the words "and necessary" to the sentence in section (3)a providing that "where appropriate, the Commission's consideration and study shall include the extent to which the policies implemented by the executive branch and the independent regulatory agencies detract from or enhance government management, operation and organization." This amendment emphasized the previously discussed intent of the Committee that the Commission deal with questions of government policy only where the inquiry related to the questions of management, operation and organization that are the Commission's primary charge. Under the Levin amendment, inquiries into policy matters would have to be both "appropriate" and "necessary".

Two amendments offered by Senator Levin were considered, and ultimately rejected, by the Committee. One of these amendments would have provided that the Chairman of the Commission would be appointed by the Commission members, and not by the President as S. 10 provided. Proponents of the Levin amendment argued that Commission appointment of the Chairman was more appropriate in light of the Commission's mix of membership from both the congressional and executive branches. Opponents of the amendment argued that Presidential appointment would convey necessary status and visibility, making it easier to attract the kind of widely respected, long-experienced Chairman crucial to Commission success.

The second amendment offered by Senator Levin would have permitted an exact split in the partisanship of Commission members. (Under the appointment scheme of S. 10 if all the appointment parties made appointments so as to maximize the number of Commission members from their political party, there would have been 10 Republican and 8 Democratic Commission members. It should be noted that the provisions relating to persons engaged in partisan political activity aimed to ensure that many of the Commission members from both parties would not be active partisans.) The amendment was based on the proposition that a strict partisan split was necessary to guarantee that Commission deliberations would be bipartisan. Those who opposed the amendment discounted its necessity and usefulness for achieving this purpose.

Senate Action on S. 10

The Senate began its consideration of S. 10 with the acceptance by unanimous consent of Senate Resolution 203 offered by Senator Domenici. This Resolution, waived section 402(a) of the Congressional Budget Act, an action necessitated by the fact that S. 10 was reported by the Governmental Affairs Committee after the May 15, 1982 Budget Act reporting deadline for fiscal year 1982 authorizing legislation.

The Senate then proceeded to consider S. 10. Senator Roth explained the goals and the importance of the Commission, and illustrated the breadth of support for the measure by submitting for the Record a sample of the letters received by the Committee express-

ing support for the legislation. (These letters are reproduced on pages 10–15). Following statements by Senators Eagleton, Baker, Domenici, Hatfield, Dole and Dodd urging enactment of the legislation the Senate considered an unprinted amendment, No. 760, offered by Senator Levin and accepted it unanimously.

The first portion of Amendment No. 760 made the Commission membership evenly divided between Republicans and the Democrats. Second the amendment guaranteed that the congressional leadership of each party would play an active and determinant role in selecting the members of the Commission who would represent their party. Third the amendment stipulated that the President would select a candidate for chairmanship of the Commission and that the other members of the Commission would vote on this candidate by secret ballot. Fourth and finally the amendment shifted the date for submission of the Commission's final report until after the 1984 presidential election. The purpose of the entire amendment was to depoliticize the Commission and make it as independent as possible.

Following additional statements in support of S. 10 from Senators Nunn and Kennedy the Senate passed S. 10 by a vote of 79–4.

S. 35

On January 26, 1983, Senator Roth and Senator Eagleton introduced S. 35. The legislation as introduced was identical to S. 10 as passed by the Senate in 1981, except that the date for the final report of the Commission was changed to two years following enactment of the proposal.

On March 17, The Committee marked-up S. 35. Senator Eagleton offered a technical amendment which requires the Commission to submit its interim report to the Congress and the President one year after enactment of the Act. Following acceptance of this amendment, the, Committee voted favorably on S. 35 as amended by a margin of 10–0.

THE WHITE HOUSE,
Washington, D.C., December 7, 1981.

Hon. WILLIAM V. ROTH, JR.,
Chairman, Committee on Governmental Affairs,
U.S. Senate, Washington, D.C.

DEAR BILL: I would like you and, through you, your Senate colleagues to know that I support enactment of S. 10, the bill which you and Senator Eagleton have introduced to establish a Commission on More Effective Government.

You are, of course, well acquainted with my conviction that we should have less Federal Government. I am no less committed to the idea that what properly should be done by the Federal Government should be done effectively and at least possible cost. It is a goal of both Democrats and Republicans at all levels of government. Together we realize that more effective and responsible government is essential if we are to restore the faith and confidence of our citizens in the institutions of government.

A bi-partisan body of knowledgeable and dedicated persons representing a broad and diversified understanding of America's heri-

tage and unresolved issues can make a contribution at this point in our history in the same manner as did the earlier Hoover Commissions. Now, after nearly thirty years, we need a fresh reveiw of our governing processes and institutions that can be clearly perceived as free of partisan bias and, at the same time, is expert and relevant. The Commission created by S. 10, as amended, is well designed to provide this review. It can point the way to needed reforms and, can help generate understanding and support amoung our citizens.

I endorse S. 10 and am willing to work with both houses of Congress to secure its enactment.

Sincerely,

RON.

THE BUSINESS ROUNDTABLE,
New York, N.Y., December 2, 1981.

Hon. WILLIAM V. ROTH, JR.,
Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR ROTH: The Business Roundtable, an organization of Chief Executive Officers of 190 large corporations, supports S. 10.

The enormous growth of the Federal government in the last 25 years since the Second Hoover Commission Report justifies a thorough examination of the workings of the government and how to improve its effectiveness in the remainder of this century.

Such an examination by a group of experienced and credible citizens can point the way to new mechanisms and techniques of management needed to meet current and future problems.

You and Congressman Bolling and your colleagues in both parties have fashioned legislation that will enable the Commission to achieve its important goals. We support the legislation and, if it is enacted, the Commission's operations will have the cooperation and attention of our members.

Sincerely,

JOHN POST.

COMMON CAUSE,
Washington, D.C., December 1, 1981.

Hon. WILLIAM V. ROTH, Jr.,
Chairman, Senate Governmental Affairs Committee,
U.S. Senate, Washington, D.C.

DEAR SENATOR ROTH: On Thursday, December 3, the Senate is scheduled to take up S. 10, legislation to create a Commission on More Effective Government. Common Cause strongly supports this important legislation.

The need for such a Commission is clear. Government is not working as it should. The voters believe this, President Reagan campaigned on this, Common Cause believes it, and so do elected officials across the political spectrum.

Within the stream of ideas for improving government's performance, a common theme is emerging—that it is essential to the nation's future to overcome the increasing fragmentation of our soci-

ety. There is a growing awareness that pressure from narrow interest groups is pulling government apart, with a resulting loss of common purpose. Common Cause views the proposed Commission as an important catalyst for forming a new public consensus about what is necessary to create a government that works.

The Commission's scope of inquiry while comprehensive is also focused. The federal system has become so large and elaborate that the Commission must have substantial freedom to develop a study agenda that covers all aspects of the problem. The federal executive branch is a primary focus of the Commission. We believe, however, that the nature and extent of the relationship between Congress and the executive branch also needs substantial attention with an eye toward improving and updating Congress' capacity to play an effective policy setting and oversight role in the 1980s and beyond. Similarly, an examination of the relationship between levels of government—federal, state, and local—is a necessary element of the Commission's charge.

Building consensus on how to overcome fragmentation and forming public coalitions that will work towards a coherent government pose extremely difficult challenges. But no one is a winner when the government is not working right. Ultimately, the success or failure of implementation will hinge on the extent to which citizens feel a stake in the outcome of this effort and are able to make those feelings heard.

Common Cause believes that the Commission on More Effective Government can play an historic role in helping to mobilize a citizen constituency behind fundamental changes needed to improve the performance of government. We urge the Senate to pass S. 10.

Sincerely,

FRED WERTHEIMER, *President.*

NATIONAL GOVERNORS' ASSOCIATION,
Washington, D.C., December 1, 1981.

Hon. WILLIAM V. ROTH, Jr.,
Chairman, Committee on Governmental Affairs, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR ROTH: I understand that S. 10, which would establish a Commission on More Effective Government, will soon be on the Senate floor. For this reason, I am writing to you now to reiterate the support of the National Governors' Association for the legislation.

The decade of the 1970's produced a series of studies and position papers on the intergovernmental system, many of which pointed to the need for reform of the federal-state partnership. The current budget situation has intensified the need for efficient use of federal resources. A Commission for More Effective Government could focus on such issues as:

Sorting out roles and responsibilities among levels of government;

Increasing flexibility in intergovernmental programs;

Insuring accountability in grant initiatives; and

Reviewing the role of the judiciary in the federal system.

In view of the importance of the intergovernmental questions that will come before the Commission, we believe that state elected officials should be adequately represented among the membership of the Commission.

The National Governors' Association is concerned about the future of intergovernmental programs, which support some of the most important domestic priorities of this country, including providing subsistence and medical care to people in need, protecting the environment, and revitalizing the nation's cities. Reflecting this concern, individual Governors have called for a domestic summit to discuss fiscal and structural priorities. We view the Commission on More Effective Government as consistent with and complementary to the summit concept.

We look forward to working with you toward enactment of S. 10.

Sincerely,

STEPHEN B. FARBER,
Executive Director.

NATIONAL ASSOCIATION OF MANUFACTURERS,
Washington, D.C., December 1, 1981.

Hon. WILLIAM V. ROTH, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ROTH: As an organization comprised of manufacturers vitally interested in the intelligent and effective operations of the federal government, we strongly endorse your proposed legislation S. 10. It is twenty-five years since, under the auspices of the Second Hoover Commission, a high level group of independent citizens has taken a searching look at the federal government. Since that time, an enormous amount of legislation has greatly increased the impact of the federal government on the private sector as well as state and local governments.

It is vital that the kind of bipartisan review you propose take place now. You and your colleagues on both sides of the aisle have put together legislation that will enable a representative group of citizens with broad experience and public commitment to look objectively at government and generate recommendations for the long term. We commend you for your good work and hope that the Senate will speedily and by a large margin take action to bring this needed body into operation.

Despite recent efforts directed at regulatory reform and at establishing a more cooperative relationship between business and government, there are fundamental problems to which this Commission can devote its time and effort. We want to thank you for your efforts and those of your cosponsor Senator Thomas Eagleton and say that we will support the Commission in its work.

Sincerely yours,

A. B. TROWBRIDGE,
President.

NEED FOR S. 35

Throughout our history study commissions have played a constructive role in guiding the development of public policy and in encouraging the public awareness of certain reform initiatives. An obvious recent example is the Social Security Commission. The members of this panel were selected in a fashion similar to that by which the S. 35 Commission members will be chosen, with distinguished citizens from government and private life selected by the leadership in Congress and by the President. Through its work the Social Security Commission developed the research base and encouraged the political consensus necessary for congressional acceptance of the Social Security reform legislation.

While some have disagreed with the original recommendations of this Commission the effort proved that reasonable people with differing philosophies can achieve a compromise position and then build upon this agreement to influence the policy process in a positive way.

Another notable example of such a Commission effort was the first Hoover Commission which studied the operation of the Federal executive branch and made positive recommendations for change. The Committee believes that such a study effort again can make a significant contribution to our understanding of governemnt and to the quality of its performance. This section of the report explains why the Commission to be created by S. 35 is needed at this time.

When the first Hoover Commission was established in 1947, the nation's Federal Government was publicly perceived to be in organizational and managerial disarray. The many efforts launched to deal with the serious problems of the depression and the second World War resulted in a major expansion in the size and complexity of government which in turn severly strained established administrative systems.

The first Hoover Commission, and its successor body which operated between 1953 and 1955, contributed effectively to alleviating this strain and developing an organizational structure better suited to meeting future challenges. The 68 percent of the Commissions' combined recommendations which were implemented are widely credited with reducing government's costs and generally improving its performance.

In describing the effectiveness of the first Hoover Commission, the Bureau of the Budget stated in a 1952 letter to the Senate Government Operations Committee:

> Much of what has been done in the last 2 years has been in the direction of improving the lines of responsibility and accountability within the executive branch. Improvements of this type and many of the regroupings of functions which have taken place will add to the capacity of the Government of the United States to carry out its immense responsibilities at home and overseas.

The success of the Hoover Commission is attributable to a number of factors. In the early post-War era, the belief was widely held by our people and their leaders that government had grown

out of hand; that our public institutions had become top heavy and were in need of a major review and overhaul. To the extent that the Hoover Commissions' proposals addressed these concerns, this consensus was a powerful tool in support of reform.

The approach in creating and structuring the Commissions substantially aided the effort to capitalize on this consensus. Their statutory basis enhanced their credibility beyond that achievable by bodies created by executive order. The Commission members, appointed by the President and by the leadership of both Houses of Congress, came from both the Federal Government and the private sector. This approach gave the bodies broad perspective, ensured the willing participation of the two branches of government responsible for implementing the Commission's recommendations and lent the effort the objectivity needed to establish its credibility in the eyes of the public. Additionally the Commission membership included both major political parties, reinforcing the spirit of bipartisanship and collegiality so important to winning the public's confidence.

Most importantly, the members chosen to serve on the Commissions were of the first rank in their breadth of experience and understanding of the American system. Their public prominence guaranteed that the work of the group had high visibility. Additionally, the groups' collective capabilities were magnified by the splendid leadership of Chairman Hoover, whose personal commitment and dedication added greatly to the quality of the Commissions' product.

These were the factors underlying the Hoover Commissions' success as a force for creating change in government. Ultimately, it was their visibility and clout that assured respectful consideration of their proposals.

The Committee believes that the time is right for a searching, high-level inquiry into the processes and problems of government, designed to replicate the best features of the process that worked so well with the Hoover Commissions, and this is what S. 35 seeks to do.

In part, the Committee's assessment that a new Hoover-style commission is needed recognizes the veritable revolution that has occurred in the size, role and effect of government in the United States since the last Hoover Commission completed its work. While there have been concerted efforts in the past several years to stop the growth of Federal Government and reverse the direction and nature of some of its activities the last several decades leave a continued legacy of new governmental missions, institutional structures and power relationships, piling up incrementally and raising a host of complex, interdependent problems. The primary responsibility for solving these problems must and should rest with officials in all branches of the government. However, the Committee believes that the problems facing these officials have reached the point where, as in the Hoover Commission era, solutions could be clarified and implementation assisted by comprehensive, expert deliberations occurring several arms lengths away from the press of daily governmental decisions and crises.

The Committee also recognizes that, despite the debates in the last several years over the proper role of the Federal Government

in particular public policy areas, there is still a widespread public concern about the management, operations and organization of government. There is also an impressive degree of consensus that meaningful and dramatic solutions must be found. To be sure, there are significant differences in the degree of emphasis members of the public—and members of this Committee, for that matter—would place on different aspects of government defects. To many, Federal governmental growth is in itself an evil, triggering a whole range of practical and even philosophical concerns. Many others are troubled not so much by the fact that government is big but that it is big and ineffective, creating an increasingly sorry record of waste, inefficiency and policies working at cross purposes. Still others would expand the size or role of the Federal Government to meet specific priorities. Even these advocates have come to realize that such an expansion is most likely to occur if economies and efficiencies can be achieved in other federal activities.

Despite differences of emphasis, and despite the inevitable disagreements that members of the public will have over specific policy, the Committee believes that the broad-based consensus for reform of government management, operations and organization could be informed and tapped by a Hoover-style commission pursuing an aggressive outreach program.

Today there is much criticism that Congress and the Executive Branch, like business and labor, take a short run view of national problems and opportunities. The Commission would serve to add a longer perspective to these issues, because it would not be under the constraints experienced by congressional Committees and executive branch officials. Milton Socolar made this point in his testimony before the Committee. Much of the comment made during the excellent series of meetings sponsored in the last year by the Kettering Foundation and the National Academy for Public Administration emphasized this need for a long term approach to problem solving based upon a bipartisan consensus. In the view of the Committee the Commission established by S. 35 can and will provide this extended perspective.

This section discusses in more detail the nature of the changes in government in recent years and the serious questions these changes raise for the public, public officials and the Commission on More Effective Government which S. 35 would establish.

A review of governmental trends in the era since the Second World War reveals a pattern of rapid and, until recently, unabated growth. Although Federal civilian employment leveled off in the 1960's, State and local governmental employee levels continued to increase. As a result, civilian employment by all levels of government in this country has increased from a ratio of one employee for each 23.8 of the Nation's population in 1950 or one for each 13.8 at the beginning of 1980. While Federal personnel reductions occurring after 1980 alter this picture slightly, Federal outlays in the period between 1950 and 1981 grew by a factor of 15, from $43 billion to an estimated $655 billion.

The composition of Federal expenditures has changed mightily during this period as well, with some sectors growing in importance and others declining. Direct Federal payments to benefit recipients or to individuals in reimbursement for earlier contribu-

tions, as opposed to payments for services rendered or goods delivered, now constitute the largest fraction of the Federal Budget. In 1980, these totalled $237 billion, or 41 percent of budgeted outlays. In 1950, such payments totalled $9.4 billion and accounted for less than 22 percent of Federal outlays.

While the number of Federal employees stabilized in the late 1960's and through the 1970's, that of Federal governmental units did not. New departments, agencies, bureaus, offices, administrations, institutes, services and other organizational subdivisions assigned the task of overseeing the expenditure of funds were formed at a steady clip. During the period 1949–1979, a total of 900 such operational entities was created, against 371 eliminated for a net gain of 529.

The legacy of these changes is a sprawling, labyrinthine Federal Government. The legislative branch now employs almost 39,000 people and the Congress is served by 8 agencies. The judicial branch now includes 10 types of courts and two judicial agencies, and the branch's employment exceeds 15,000. The executive branch includes 13 departments, 62 independent agencies, and the Executive Office of the President. Additionally there are 81 national commissions, boards or committees established by Presidential or Congressional action that are independent of any other department or agency. Finally, there are over 800 advisory committees, five quasi-official agencies and more than 90 multilateral international organizations in which the United States is a participant.

The growth in the units now comprising the Federal Government was matched by an expansion of Federal activity in a host of social and economy policy areas. Health care and safety, equal opportunity, community development, energy, education, law enforcement, and the environment are all now matters of Federal concern. Whether one believes that the Federal government commitment to these concerns should be expanded, diminished or left untouched, it is undeniable that the elevation of these and other issues to the national level and the creation of programs to deal with them, has brought the Federal government into many areas historically the concern of other governmental units or of the private sector.

One significant indication of the impact of the expanded role of the Federal Government is the increase in its regulatory activity. Recent administrations have differed in terms of their regulatory focus and output; some have expanded regulations and others, including the current Administration have sought to curtail regulation. (Table I presents some common measures of regulatory trends during the 1970's.) Still, given the extensive and ambitious regulatory mandates included in legislation passed primarily in the 1970's, significant federal regulatory activity, and the questions of efficiency and effectiveness it raises, will continue to be a fact of governmental life in the future. So too, will related problems raised when the Federal Government seeks to regulate other governments and non-profit service organizations involved in aid delivery has generated both directed orders to program administrators and stipulated conditions for the receipt of these funds. A study completed in 1979 by Dr. Catherine H. Lovell and Associates entitled "Federal and State Mandating on Local Governments: An Exploration of Issues and Impacts," identified 1,260 Federal mandates, 223 of

which are direct orders, and the remaining 1,036 of which are conditions placed on Federal aid.

TABLE 1.—FEDERAL REGULATION GROWTH IN THE 1970's

	Major regulatory agencies		Agency spending (millions)		Pages in Federal Register	Pages in Code of Federal Regulations
	Economic	Social	Economic	Social		
1970	8	12	$166.1	$1,449.3	20,036	54,105
1971	8	15	196.8	1,882.2	25,447	54,487
1972	8	15	246.3	2,247.5	28,924	61,035
1973	8	18	198.7	2,773.7	35,592	64,852
1974	9	18	304.3	3,860.1	42,422	69,270
1975	10	18	427.6	4,251.4	60,221	72,200
1976	10	18	489.2	5,028.3	57,072	73,149
1977	10	18	544.8	6,383.7	65,603	83,700
1978	10	18	512.5	7,225.4	61,261	88,562
1979	10	18	608.6	7,576.1	77,497	[1] 93.000
Percent increase (1970–79)	25	50	266	423	287	72

[1] Estimate.

Source: American Enterprise Institute for Public Policy Research.

The Federal Government has increasingly come to rely on State and local governments and on the private sector to carry out the work occasioned by its expanded activity. Federal aid to State and local governments grew to over $90 billion in fiscal year 1981, an 11-fold increase from 1960. The program count has expanded at an equally impressive rate. Federal aid programs to State and local governments now number over 500, and although the rate at which narrow categorical grants are being created has slowed, their total continues to expand. As a result, no facet of State and local government activity is without some form of Federal funding. The level of State and local dependency on Federal assistance in 1980 was almost twice that in 1960, as shown in Table 2.

TABLE 2

	Federal aid (in billions)	Percent of Federal outlays	Percent of State-local expenditures
1960	$7.0	7.7	14.7
1965	10.9	9.2	15.3
1970	24.0	12.2	19.4
1971	28.1	13.3	19.9
1972	34.4	14.8	22.0
1973	41.8	16.9	24.3
1974	43.4	16.1	22.8
1975	49.8	15.3	22.9
1976	59.1	16.1	24.5
1977	68.4	17.0	26.4
1978	77.9	17.3	26.7
1979 [1]	82.1	16.6	25.4
1980 [1]	82.9	15.1	NA

[1] Estimated.

Source: Advisory Commission on Intergovernmental Relations.

The massive growth in Federal activity since the time of the Hoover Commission efforts occurred, however, at the same time that Federal employment levels were held static. As a result the Federal Government has turned with increased frequency to other governments to carry out Federal policy. Many States and local government officials feel that the result of this trend in the last 20 years has been to strengthen Federal bureaucrats and interests at their expense. At the same time that Federal interests have gained there has been an increasing breakdown of communications. The Federal Government has issued rules, regulations and mandates in ever increasing numbers, yet, at times there has been unwillingness to listen to the concerns of the people that have ultimately been called on to operate the Federal system. Communication has been a one way street from Washington out to the rest of the country, it has been charged. Federal rules for access by the handicapped are often cited as an example of this pattern of behavior.

The Clean Water Act affords one example of how a Federal mandate placed primarily on local governments, without any Federal funding can strain intergovernmental relationships. The cost of compliance with the standards of the Act for 31 cities was estimated to be $257 million in 1978. Mandates such as this, in combination with the conditions attached to the receipt of Federal assistance funds, alter the balance in our Federal system. They lead to the criticism that, as power is focused in Washington, State and local government tend to become mere administrative arms of the national government as they devote more and more of their efforts to carrying out the Federally imposed responsibilities.

A similarly vast transformation has taken place in the relationship between the Federal Government and the private sector. In one sense this has taken the form of increased regulation of certain corporate entities such as the utility, oil, and automobile industries. With increasing frequency, however, government also has sponsored organizations lying somewhere in between the public and private sectors and charged with carrying out policies which in earlier times were exclusively the province of one sector or the other.

The types of government funded institutions have expanded beyond such older examples as the Federal Reserve System and the Federal Land Banks. The broader range of joint Federal-private involvement is exemplied by the Corporation for Public Broadcasting, the Communications Satellite Corporation (COMSAT), the National Railroad Passenger Corporation (AMTRAK), the Legal Services Corporation and the Synthetic Fuels Corporation. The quasi-public institutional concept has further expanded to embrace universities and such non-proft service-providers as drug-abuse clinics, child care centers, voluntary hospitals, social welfare agencies and other entities.

The rationale for creating and supporting these entities is that they meet needs considered of national interest by the government which are not fulfilled adequately by the private sector. Frequently, these bodies and their employees are statutorially designated as private, while they are supported by public funds. Advocates of this approach point out the public-private organizations are an apt reflection of the pluralistic nature of our society, and that the histori-

cal division between the public and the private sector was an artificial distinction. Critics, however, point out that the blurring that has occurred between the public and private sectors raises concern about where responsibility lies for these programs.

The Federal Government's activities and spending have expanded in response to significant national economic, social, and political changes, including the increased interdependence of the world's economies. Much of the confusion in the current operation of our Federal system results from attempts to deal with complicated problems whose solutions are much more difficult than was first believed. The fact that the Committee thinks that an examination of government is in order is not a suggestion that these attempts were not well motivated and conceived. Often Federal efforts have achieved considerable success.

Yet these patterns of governmental response have been accompanied all too often by problems of declining efficiency and effectiveness. In the view of many, government is no longer capable of satisfactorily delivering services at a reasonable cost. Among the elements in public sector performance contributing to this feeling are problems of administrative failure, excessive cost and waste, poor program performance, and the erosion of political accountability.

The expansion of the government brought greater fragmentation of authority at the Federal level and more extensive sharing of responsibility among the levels of government. Administrative procedures instituted to delegate and coordinate these responsibilities, however, have resulted in a nightmare of red tape and administrative hurdles. Instead of a cooperative system we too often face an adversarial system characterized by endless procedural steps, distruct, and litigation.

Additionally, increased expenditures have often been unaccompanied by appropriate controls, resulting at times in wasteful and even fraudulent use of public funds. This has contributed to the public's concern over how government operates and to its loss of trust in our leaders. The public reaction is seen in the various taxpayer revolts such as Proposition 13 in California and Proposition 2½ in Massachusetts, and in the general voter responsiveness to campaign promises to rid the government of fraud and waste.

Another area encompasses problems related to program performance. Despite the creation of major programmatic and regulatory initiatives launched in the 1960's and 1970's, many of the social and economic problems they sought to address remain in existence. While many needy individuals were and are assisted by these programs, the faulty nature of the implementation process in many instances limits the results.

The erosion of accountability in government which stems from the new patterns of administration is possibly the gravest threat to the health of our system. Fragmented authority and ill-defined responsibility fosters the sense that government is out of control. Those responsible for a given issue are difficult to identify and all too often are remote and unresponsive. In this environment alienation replaces the spirit of participation, and distrust supplants trust in political leadership. The decine of public confidence in our major political institutions is illustrated in Table 3.

TABLE 3.—A CRISIS OF CONFIDENCE IN INSTITUTIONS

[Since 1966, Louis Harris and Associates, Inc. has been asking the public whether it has "a great deal if confidence, only some confidence or hardly any confidence at all" in the leaders of 9 major institutions. The table below shows the percentage of repondents who expressed "a great deal of confidence."]

	1966	1971	1973	1974	1975	1976	1977	1978	1979
Television news	25	.....	41	31	35	28	28	35	37
Medicine	73	61	57	50	43	42	43	42	30
Military	62	27	40	33	24	23	27	29	29
Press	29	18	30	25	26	20	18	28	28
Organized religion	41	27	36	32	32	24	29	34	20
Major companies	55	27	29	21	19	16	20	22	28
Congress	42	19	29	18	13	9	17	10	18
Executive branch	41	23	19	28	13	11	23	14	17
Organized labor	22	14	20	18	14	10	14	15	10
Average	43	27	33	28	24	20	24	25	23

Source: Public Opinion magazine October-November 1979

These attitudes and perceptions on the part of our citizens pose a serious threat to the ability of our political leaders to govern effectively and to the guiding principles of our form of government. Yet, because the various elements of our system have become so complex and highly interrelated, a piecemeal approach to change at this time is insufficient. In order to restore public confidence in government and adequately prepare for the responsibilities it will face in the coming decades, a system-wide overhaul is required.

Much work on government reform is currently underway. Reform proposals developed by congressional committees, executive branch agencies and private sector organizations and study groups addresss issues such as regulatory reform, intergovernmental relations, cost control in the Federal Government and governmental reorganization. Each one of these efforts tackles a single, often large, aspect of the problems of governance. An effort by a high level, bipartisan group of experts to integrate the whole of the problem, however, has yet to be attempted. The Commission will try to do that, while focusing first on the workings and impact of the executive branch.

The Commission will be able to build public awareness for its work through the public hearing process, and through the influence of its leadership. Because the Commission can take a longer view, it can see trends which others, more preoccupied with day to day events, may miss. Indeed, one Commission task recommended by Acting Comptroller General Milton Socolar is to assess how government can:

> * * * think, debate and act with a much longer period of time in mind, recognizing that the full implications of policies adopted will often not be felt for several years or even decades.

The bicentennial of the United States Constitution which occurs in 1987 to correspond with the two hundredth anniversary of the meeting of the Constitutional Convention gives renewed impetus to this legislation. If the Commission were to get underway by the end of 1983, its reports would be completed by early 1986. These reports could contribute to a national effectiveness, organization and management could be improved significantly. We are confident of the

need for major improvements in the way in which government operates, and in how it relates to State and local governments and the private sector. The timeliness of this legislation becomes clear in light of this important two hundredth commemoration.

For all of these reasons, the Committee recommends the creation of the Commission on More Effective Government, as called for in S. 35. The mandate assigned to the Commission ensures the broad review of our current approach to managment, organization and division of authority in our Federal system. On the basis of this review, the Commission is to suggest a coherent plan for improving the performance of government in this country, to permit the flexibility required of our public institutions to cope with the future. The potential gains in terms of enhanced effectiveness and renewed public trust to be realized from this effort far exceed its expense. For these reasons, the Committee urges expeditious action to enact S. 35, and the prompt commencement of the Commission's important work.

Commission Makeup

Commission membership will total 18, a number large enough to encompass appointments from within and without government spanning a broad spectrum of background and experience, yet small enough to enable the Commission to function as a coherent unit. The stipulations incorporated in the appointing process indicate the importance the Committee places on collegiality, breadth of experience, and bipartisanship as factors essential to the Commission's success.

In pursuing collegiality, the Act follows the pattern of the Hoover Commissions in authorizing appointment of a third of the Commission's membership by the President, a third by the Speaker of the House and a third by the President pro tempore. The President may include up to three serving officials of the executive branch of the Federal Government among his appointments, although the Act does not mandate that he do so, and he is free to draw on the experience of former officials. The Speaker and the Majority Leader are each directed to appoint either three incumbent members of their respective houses of Congress or, at their discretion, two incumbents and one former member. The Committee strongly feels that participation by knowledgeable and dedicated representatives of the executive branch and both houses of Congress is vital to eventual acceptance and implementation of the Commission's recommendations.

Breadth of experience is addressed by requiring each appointing authority to select two citizens not actively serving in the Federal Government who are:

* * * persons not engaged in partisan political activity.

The Act defines such people as individuals who have not held or run for elective public office, or served as officials of state or national political parties, for a period of a least 6 months prior to appointment. This stipulation is not intended to bar from Commission service these who have been interested enough in public affairs and governance to have participated in the political process at

some point in their careers. Rather, it is meant to ensure that the Commission will not be composed exclusively of people whose record of accomplishment lies solely in the public sector. The complexity and diversity of this Nation's society is too great to permit a body charged with responsibility for examining government's role in it to lack the perspective which distinguished citizens from the private sector will bring to the examining process.

In addition, to ensure that Commission members' governmental experience will not be exclusively at the federal level, the Act directs the President to select one appointee experienced in government at the state or local level, the Speaker of the House to select one experienced in local level government and the Majority Leader, one experienced in government at the State level. Here again, the Committee believes it is imperative that the perspective acquired through such experience be included in a body reviewing relationships between the Federal and other levels of the Country's government.

The Committee believes that bipartisan representation on the Commission is a third requisite for its effectiveness. The work of the panel will attain maximum credibility if it is viewed as the product of an unbiased and evenhanded process. The bipartisan approach of nine Democrats and nine Republicans now incorporated in the legislation will encourage this view.

The Committee strongly believes that the ultimate success of the Commission's contribution to improving this country's governance is dependent on the care and thought given to Commission appointments. The degree of initiative, resourcefulness and dedication brought by Commission members to the Commission's work will determine its collective effectiveness. It is the Committee's expectation that members will, in the spirit of the members of the Hoover Commission devote personal, not proxy, effort to this work. The Committee also urges that the President, Speaker of the House and the President pro tempore of the Senate consult freely during the process of identifying and selecting candidates for Commission membership to ensure that the principles underlying the appointing procedures in the Act are upheld. It is of paramount importance that Commission members be of the acknowledged stature and demonstrated objectivity needed to enable them to reach out to and draw on this nation's countless resources in performing their task. Only from such a group will findings and recommendations be received with the respect and trust essential to developing the public consensus required for acceptance of significant change.

Focus and Work Methods of the Commission

The Committee agrees with several commentators that it is neither possible nor wise to attempt to specify a detailed study agenda or work method for the Commission in this report. Particularly in light of the goal of S. 35 to ensure that present governmental practices are examined from an objective perspective, it would be unwise to restrict the Commission to certain issues or methods in advance of its deliberations. The Committee believes, however, that without dictating specifics, it can assist the Commission by expanding upon the mandate and approach set forth in S. 35. This section

of the report elaborates on and provides examples of concerns stated elsewhere, and discusses various approaches that the Commission could employ to bring order to the broad tasks set forth in S. 35.

Focus and Subjects for Commission Review

Although the study mandates set forth in section 3 of the legislation is generally brief, it does provide an important source of initial guidance to the Commission concerning the type and range of issues that the Committee intends for it to examine. The mandate includes five major elements which the Commission is expected to address, although with varying degrees of emphasis. These five elements are as follows:

1. Management practices and organizational patterns in the departments, agencies, and bureaus of the Federal executive branch;
2. The relationship of these entities to one another;
3. The relationship of the Federal executive branch to the Congress and the Judiciary;
4. The relationships in our intergovernmental system; and
5. The relationship between government and the private sector.

The Commission of course will want to select specific aspects of these elements in carrying out the body of its work and in the development of its recommendations. The following is a suggested list of topics that the Commission may wish to explore as it conducts its work. This list is not intended to be all inclusive, nor should it preclude the Commission from examining areas that are not mentioned.

1. The operation of individual government departments;
2. The operation of related substantive programs within functional areas such as transportation, eductional, and health care, etc. (to the extent that these examples touch upon management and organizational practices or justify recommendations for reform);
3. The instruments of governmental policy, including grants, cooperative agreements, contracts, loans, loan guarantees, regulations, tax-subsidies, etc.;
4. Generic subjects are cross-cutting in nature, including management procedures, organizational theory, purchasing, budgeting and accounting, and personnel practices, regulatory processes, etc.; and
5. The impact of managerial decisions and organizational patterns upon the delivery systems that are intended to provide public services to client groups, such as the elderly, veterans, the military, children and Indians.

The Committee in other parts of this report has sought to give the Commission insight into the problems that it believes merit study. The discussion that follows is intended to provide further elaboration on the areas upon which the Commission should focus.

The principal focus of the Commission will be on the management and operation of the executive branch. In the course of its work, the Commission should examine the extent to which contem-

porary governmental growth has outstripped existing management practices and organizational structures. An important and related question for the Commission is how to best control large bureaucracies that were never contemplated in the drafting of the constitution. The Commission needs to be aware of how permanent bureaucracies seem to develop a momentum of their own, with a set of built-in dynamics. In the so called iron triangle relationship these bureaucracies have worked with the Congressional Committees and the interest groups concerned with the programs to develop a set of policy and operational values. These relationships present management problems for Presidents seeking to direct and control the governments they head. Additionally, because the interests of each of the groups comprising the iron triangle may differ from those of program beneficiaries and the general public, their relationships inhibit the ability of government to deliver quality services.

Cross cutting questions should be examined by the Commission, as well. The government has had serious problems in dealing with questions which cut across government departments. From an organizational standpoint, the manner in which energy policy is carried out at the Federal level is one such issue. Managerially, the systems for administering personnel, budgeting, and accounting responsibilities in government merit review. The process whereby national policy goals are implemented through requirements that are generally applied to Federal assistance could be examined as well. Mechanisms can be devised for dealing with such issues in a better fashion than we do currently, and the Commission should be able to contribute to this effort.

Problems of administration and organization in government operation are common to all large enterprises whether they be corporations, social welfare programs, military campaigns, or engineering projects. A system must be used whereby projects are planned in detail, after alternative approaches are systematically weighed, and then modified in the light of experience. To improve effectiveness the Commission should examine how well the government operates in this regard.

Legislation by itself, based as it is upon political compromise, rarely provides an operating plan. Administrative as well as legislative decisions at the Federal level frequently fail to take into account the practical problems and costs of implementing programs that are relatively easy to bring into being but difficult and costly to operate. A General Accounting Office report, "Finding Out How Programs Are Working: Suggestions for Congressional Oversight, (PAD–78–3, Nov. 22, 1977)," contains useful suggestions concerning the way that congressional oversight can be built into the design of Federal programs for the purpose of improving implementation patterns. The Committee recommends that the Commission make use of this report in particular as it seeks ways to improve the operation of Federal programs.

The Committee intends that governmental management must be considered from the standpoint of accountability and responsibility, as well as effectiveness. Often as new programs and procedures have been developed, insufficient attention has been paid to the prevention of wasteful and even fraudulent use of public funds. In

conducting its review, the Commission should seek ways to prevent these abuses as well as to specifically identify the offices and individuals responsible for governmental programs.

The effectiveness of the executive branch is going to be determined by an entire range of issues. The workings of its personnel systems represent useful examples of what the Commission should examine.

It has been five years since passage of the civil service reform legislation. This affords the Commission a unique opportunity to review the initial impact of the reforms on governmental performance, as well as the chance to analyze and review administrative decisions which have been implemented or proposed pursuant to the reform bill. Questions of hiring, training, advancement, turnover, and institutional memory, are just a few aspects of the important issue of public sector personnel systems.

An example of a question ripe for consideration by the Commission is the wisdom of having some important policy decisions made by multi-member independent regulatory commissions and others made by executive branch agencies. A variety of criticisms have been leveled against this scheme. Multimember bodies have been criticized as too prone to delay, indecision and adversarial relationships. (Of course, others have pointed out that there are countervailing benefits to the commission approach, including greater continuity in policy and independence from political pressures.) Critics have also pointed out that the piecemeal growth of new Federal agencies and commissions has resulted in a split between independent commissions and executive branch agencies that is hard to justify along functional lines. So, for example, one can find important decisions affecting public health and safety made by both independent commissions (the Nuclear Regulatory Commission and the Consumer Product Safety Commission, for example) and executive branch agencies (the Environmental Protection Agency, OSHA and the Food and Drug Administration); at the same time, more routine matters of commercial policy are made by both types of entities (e.g., the Department of Commerce and the Interstate Commerce Commission). The Commission may want to inquire into this matter, determining whether a realignment of the pattern would serve to improve the overall efficienty and effectiveness of Federal policymaking.

Pertinent testimony by Dr. J. T. Kendrick, former dean of the foreign service institute, highlighted the interdependence of foreign policy and domestic policy. The increasing complexity of international relations and the need to integrate its forumation with that of other policies make our foreign policy process and organization an important area for the Commission's review. This is one example of an array of policy processes that the Commission might select to examine.

Another aspect of the overall mandate is the range of issues relating to American Federalism. Changes in the intergovernmental system which resulted from the massive passage of new laws in the last 20 years set the stage for the examination of federalism. Many contemporary govenmental management problems are complicated by the Federal system in which a great deal of legislation is executed by third parties. Much of the testimony focused on the need to

restore a balance to the system and a proper division of responsibility and accountability between the Federal, State and local governments. Commission work in this area should be mindful of several factors which in recent years have encouraged persons looking for solutions to problems to turn to Washington. Included among these factors are the superior taxing power of the Federal Government and the progressive income tax, the Federal Government's willingness and ability to run deficits (something which many States are constitutionally prevented from doing), and the relative ease with which problems can be addressed by the passage of one Federal law, rather than individual laws requiring work with 50 State legislatures. The result is an over-loaded national government that is too vast and complicated for the Congress and the President to ever properly oversee.

In carrying out its review the Commission should examine the historical role of the various levels of government in our country and the effects that the changes in these roles have brought to the concepts of efficiency, equity, accountability and balance in our Federal system. In producing its recommendations the Commission should consider the extent to which a clarification of the roles of the various levels of government would contribute to greater effectiveness in service delivery and the restoration of public support for government.

Another facet of governmental growth is the increased reliance of Federal, State, and local governments on a range of private and semi-public groups and agencies to carry out public policy through the delivery of public services. The involvement of this sector of our society in public service delivery, in many instances, has resulted in increased efficiency and expanded capability in meeting public service needs. At the same time this trend raises important questions about the accountability of the private and semi-public bodies.

In its preparation of a blueprint for more effective government, the Commission is to review these developments in the relationship between the public and private sector. While being mindful that the transfer of responsibility to the private sector does not eliminate government's responsibility to ensure the delivery of public services, the Commission should highlight those instances where increased cooperation has improved the administration of government policy. Where appropriate, its recommendations should encourage public-private sector cooperation, and the avoidance of governmental constraint on the private sector when it can more effectively and efficiently meet public service goals.

Work Methods of the Commission

Extensive research has been completed on many of the topics that the Commission will examine. The Committee feels that the Commission should make an exhaustive examination of the research. This will avoid the duplication of completed work and will afford the Commission more time to formulate a strategy for the implementation of its recommendations.

To assist the Commission in identifying and assimilating this information, the Committee in the Act has directed the heads of the

General Accounting Office, the Congressional Research Service, the Congressional Budget Office, the Office of Technology Assistance and the Advisory Commission on Intergovernmental Relations to prepare background papers based on the relevant work of their respective organizations. This information is to be collected and delivered to the Commission members prior to their first meeting. The submission from each organization should contain a catalog of pertinent recommendations and an overview of the completed reports and studies. This narrative information should be concise in order to avoid overwhelming the Commission members and overburdening the research organizations.

If clarification or amplification is required in regard to this information, the Commission should seek the counsel of the various groups that prepared the reports.

Beyond the use of background reports, the Committee expects that the Commission in the course of its work will rely on existing studies, reports and other documents on which substantial time, thoughts and sums have been expended. Indeed there are model studies after which the Commission can pattern its work including those of the First Hoover Commission, the Brownlow Committee, the President's Commission on Veterans Pensions that General Bradley headed for President Eisenhower, the Paperwork Commission and the study of the Three Mile Island incident by the President's Committee. These efforts in conjunction with the GAO reports, other surveys and academic studies will lend guidance, inspiration, insight, and a marshalling of facts for the work of the Commission. The problem is not a lack of information, it is a lack of consistent adaption and follow-through on previous work. The Commission by providing a forum and a public mechanism for change can see that the recommendations of ealier studies which should have been adopted are reconsidered and acted upon as an outgrowth of its own work.

In fulfilling its mandate the Commission should consider focusing on those departments, agencies, and programs which account for the expenditure of large sums either directly or by the mandates they place on third parties. The Hoover Commission did important work on Pentagon practices. With the immense and continuing growth of that agency since the completion of the work this Commission could do the same. Additionally, organizations like the Environmental Protection Agency may in certain cases spend little money of their own, but the directives they lay down, as for example in the auto pollution area mandating standards, may have an enormous impact on private sector expenditures and decisions. The management and organization of this type of Federal entity should be reviewed as well. This approach is one way to ensure the most efficient use of the Commission's limited time.

Case studies afford a means for focusing the Commission's work and giving understandable and concrete models for policymakers to consider as they ponder suggested changes. One problem with case studies is the question of their generality. Reports like those on Three Mile Island, however, may reveal underlying patterns of government agency action that affect agency after agency. In the case of Three Mile Island the agency seemed to lack a system for dealing with underlying problems that were common to nuclear reac-

tors made by certain manufacturers and for promptly resolving those problems. Such case studies can reveal the patterns of successful as well as problematic operations that the Commission will need to draw into its larger recommendations. The experiences of the GAO in making studies of specific programs can be of great value to the Commission in this regard.

The Committee emphasizes that it intends that the Commission examine the successes of government as well as the failures. While much criticism of government heard today is justified, the successes of government have not gotten equal time. It is hard to get the press to report on good news. The CETA workers trained and their contributions made never get equal time with the abuses and the failures. The Commission should not make this mistake and should try and learn from the successes so that they can be widely emulated. Not only successful programs but the civil servants and the political appointees who administer them should be sought out, listened to and applauded, in the Commission's reports.

The Hoover Commission made broad use of task forces that drew on a spectrum of talent across the nation. We anticipate the Commission on More Effective Government will follow the same pattern. The first Hoover Commission had 24 task forces at work, whose efforts when assimulated by the Commission itself led to the publication of 19 Commission Reports. A list of those Commission and task force reports follows.

COMMISSION REPORTS

Budgeting and Accounting; Statistical Activities; Business Enterprises; Concluding Report: Department of Agriculture, Department of Commerce, Department of the Interior, Department of Labor; Foreign Affairs; General Management of the Executive Branch; Office of General Services; Medical Activities; National Security Organization; Overseas Administration, Federal-State Relations, Federal Research; Personnel Management; Post Office; Regulatory Commissions; Social Security, Education, Indian Affairs; Treasury Department and Veterans Affairs.

TASK FORCE REPORTS

Federal Personnel; The Federal Supply System; Records Management; Statistical Agencies; Departmental Management; Fiscal, Budgeting and Accounting Activities; National Security Organization; Foreign Affairs; The Post Office; Revolving Funds and Business Enterprises; Water Resources Projects; Natural Resources; Agriculture Activities; Regulatory Commissions; Federal Medical Services; Public Welfare; Public Works; Lending Agencies.

During the course of its operations it is expected that the Commission will take extensive steps to involve the public in its work. Section 9(b) provides that the Commission shall consider the desirability of holding public hearings, particularly outside of the District of Columbia and encourages the use of toll free phone lines and other mechanisms that provide public access for contributions. The use of polling, the hiring of people with reportorial skills to obtain first hand evidence of program impact and operations, are other techniques whose use the Committee encourages.

The many persons who have worked in government and returned to the private sector represent a rich source of information. The Commission, to the extent feasible, should seek out the views of these individuals as well as those of people who currently serve in government at the Federal, State, or local level. The Committee expects that the Commission will take testimony not only from top officials and department heads. Those who serve or have served as middle level managers or in lower grade levels in government doubtless have much to contribute if only they are consulted.

In establishing this public outreach facet of its study, the Commission should remain aware of the environment within which policy is made and implemented. The growth of the Federal Government has created a critical mass of policy actors in Washington including lobbyists, trade associations, law firms and the media. The interaction of these groups with the creators and managers of public policy frequently produces unforeseen results. To examine governmental performance in isolation from the actors which surround it would limit the depth and the impact of the work of the Commission.

To underscore the importance of reviewing the environment in which policy is made and applied the Committee in rewriting the legislation specified that the Commission examine the relationships between the Federal executive branch and the Congress and judiciary as well as the State and local governments.

Powers of the Commission

The Commission is given the flexibility needed to perform its functions by giving it the authority to: hold hearings, and take testimony; meet; contract, to the extent permitted within appropriations Acts; obtain printing and binding and take other needed acts. Each member of the Commission may administer oaths or affirmations to witnesses. Because the Commission is a creature of the Congress as well as of the executive branch, and in order to provide maximum flexibility, the Commission is exempted from the Federal Advisory Committee Act. The Commission, however, is encouraged to comply with the spirit of that Act and to hold public hearings and involve the public in its deliberations.

Under Section (b) the Commission is enabled to secure from the arms of the government information, suggestions, estimates and statistics as the Commission may require to carry out its functions. The officers and agencies of the government are directed to furnish, to the extent permitted by law, such information, suggestions, estimates and statistics. The language of the legislation was tightened to ensure that national security safeguards were clearly included.

Specifically, the Commission should be cognizant of the responsibility of the Director of the Central Intelligence Agency for the protection of intelligence sources and methods. In so doing the Commission should avoid calling for the disclosure of any information that is prohibited from disclosure by any provision of law requiring secrecy in the interest of national security or defense.

This qualification presumes Commission compliance with the so called "third agency rule" which provides that "classified informa-

tion originating in one agency may not be disseminated outside any other agency to which it has been made available without the consent of the originating agency."

Additionally, the Commission should not seek information that would interfere with domestic law enforcement activities, including ongoing investigations.

While these qualifications must be underscored, it is the considered opinion of the Committee that they are not directly relevant to the mandate of the Commission. Because the body created by S. 10 will be concerned with governmental process and structure issues it will have no need to seek information on the substance of domestic security and foreign intelligence policies. There may of course be instances in which the Commission could benefit from information bearing on the managerial and organizational practices of the national defense, security and law enforcement departments and agencies.

Under subsection (c) in response to a request from the Commission the head of any Federal agency can make facilities or services available to the Commission, or detail personnel all on a reimbursable basis. The Agency director can decline to make such assistance available to the Commission only if he determines and notifies the Commission in writing, that urgent overriding reasons will not permit the provision of such assistance.

The Commission is granted the authority to use the mails under conditions applicable to Federal agencies by subsection (d). In order to insure the Commission's independence subsection (e) makes it clear that no officer or agency of the United States shall require that the Commission submit any report or recommendation for clearance before the report recommendations or other matter can be submitted to the Congress or the President.

Recommendations Section

The Commission in making recommendations should use its imagination and not be limited by what it considers to be the political constraints that face government action. The Commission should call on a broad spectrum of creative thinkers who will examine what seem to be the insurmountable problems in government, and will develop the important suggestions for improving the manner in which government operates. The Commission is specifically not limited to recommending changes in laws, regulations and administrative practices but can also suggest philosophical and management approaches to government operations that can result in substantial improvements in government.

The study is not limited to reorganization plans characterized by moving the boxes on an organizational chart around; an approach that seemed to pervade some earlier efforts to reform government. When the bill discusses recommendations that bear on managerial and political accountability the Committee intends that the Commission address the public feeling that no one is in charge, and that problems and responsibilities are passed between a myriad of actors and organizations. When appropriate, the buck should stop on the President's desk. At the same time, the effect of the congressional tendency to manage the executive branch by passing more

and more detailed legislation and sharply defined mandates should be examined to determine its effect.

While policy evaluation is not the major function of the Commission, a comparsion should be made between the directives of the basic statutes and the results which flow from them. Where the goals of the statutes are impossible to achieve given the tools and methods of the legislation the Commission should not shrink from saying so. And it particularly should focus on the statutes and government agencies as they in fact operate, complementing or contradicting one another.

Once the Commission is established the Committee believes that its existence should not be used to delay the consideration of political or other proposals for change sent forward by the President or offered by other groups. Some have argued that a Commission is unnecessary because of the change that will result from block grants and budget cutbacks that are now underway. Yet despite what happens with those recommendations that Congress is now considering and that will be completed before the Commission finishes its work, there will still be a substantial Federal Government that must be far better managed and operated.

The Committee recommends that the Commission attempt to design mechanisms that will strengthen the general interests of the public over the special interests that many feel have tightened their grip on government over the last 20 years. Although the Congressional Budget process is intended to be a mechanism for strenghtening that general interest, there is currently some debate over certain of its operations. A comprehensive review of the current Federal budget process could make a significant contribution to the design of the blueprint for reform. While the executive branch has had a budget process for many years, responsible critics believe that it needs substantial change and strengthening.

Implementation of Commission Recommendations

Positive action on the suggestions and recommendations of the Commission will require the awareness and support of the public and the sustained commitment of individuals in government. The public hearings endorsed by the Committee will help ensure public participation. The Committee further encourages the development of State organizations that will parallel the work of the National Commission. This approach was used by the first Hoover Commission in a positive way to disseminate the work of the national body, and to collect public comments.

Additionally, strong follow up by those in authority will be essential if inertia is to be overcome and the body of the Commission's blueprint is to be implemented. The nature of this follow up is to take the form of monitoring and actual implementation steps. The monitoring of implementation of the Commission recommendations by the General Accounting Office will occur for a period of 4 years following the completion of the work of the panel. This data will provide not only a scorecard of the successful implementation action, but will guide policy makers as well in terms of areas for improvement that require a reinforced effort.

In order to ensure that a sustained effort for implementation does occur the Commission has provided for the retention of a portion of the Commission staff after the Commission itself ceases to exist. It is the intent of the Committee that this skeletal staff will work closely with the Office of Management and Budget and the appropriate Committees of Congress to provide the rationales for the various Commission recommendations.

A primary element in this follow through is the involvement and commitment of the Office of Management and Budget. This Office provides the focal point for administrative action on Commission recommendations and represents the primary link between the President and the Congress in bringing about the needed legislative changes.

The Committee wishes to emphasize the fundamental importance of these various follow up activities. Their presence will ensure that the work of the Commission will be considered in ongoing policy decisions and that the powerful forces in support of the status quo will not go unchallenged. If the monitoring and follow up do not occur, or are carried out in a half-hearted and unfocused manner, the important work of the Commission will accomplish only a rehashing of completed work. If this were to occur, the Commission would serve only to retard the effort to improve governmental performance.

Section-by-Section Analysis

DECLARATION OF POLICY

Section 1 of the bill as reported states that it is the declared policy of Congress to develop a blueprint for better government in the United States, to initiate processes by which the Federal Government can better serve the people for whom it was created and more rationally meet its present and future challenges, and to encourage the full restoration of public confidence in government at all levels.

ESTABLISHMENT OF COMMISSION

Section 2 of the bill as reported establishes a commission, to be known as the Commission on More Effective Government, for the purpose of carrying out the policy set forth in section 1.

IMPLEMENTATION OF POLICY BY COMMISSION

Section 3 of the bill as reported explains the mandate of the Commission. The Commission is directed to study the management, operation, and organization of the executive branch of the Federal Government, and the nature of its relationship to the other branches of the Federal Government, to State and local governments, and to the private sector. The Commission is particularly requested to identify activities and relationships which enhance as well as detract from governmental performance. On the basis of its study the Commission is directed to make recommendations for specific changes in Federal laws, regulations, and administrative practices for the purpose of achieving the policy set forth in section 1. Where appropriate these recommendations are to detail the re-

distribution of functions and activities among the Federal agencies and the Federal, State, and local governments. The Commission is directed to avail itself of existing relevant studies and other information prepared by public and private bodies.

ORGANIZATION OF COMMISSION

Section 4 of the bill as reported describes the membership of the Commission, the method of appointment of the members, of the Chairman and the Vice Chairman, the nature of a quorum, and the method of filling vacancies. The Commission is to be composed of 18 members, the appointments to be made by the President of the United States, the President pro tempore of the Senate, and the Speaker of the House of Representatives as follows:

By the President of the United States: Six members, a maximum of three of whom are to be from the executive branch and the remainder of whom are to be persons who are not Federal officials. Of the members appointed by the President who are not Federal officials, three are to be from the major political party which is not the party of the President, and at least two are to be persons who are not involved in partisan political activity.

This section defines the phrase "persons not engaged in partisan political activity" to mean persons who for at least 6 months prior to their appointment as a member of the Commission have not occupied or sought elected office or have not served as an official of a State or national political party.

One of the members appointed by the President is to have experience at the State or local level of government.

By the President pro tempore of the Senate: Six members, a minimum of two and a maximum of three who are to be from the Senate and the remainder to be persons who are not currently Members of the Senate. Of the members appointed from the Senate, one is to be from the majority party and one from the minority party in the Senate and the third can be either a current Member or a former Member of the Senate from the majority party. Of the remaining three members, one is to be from the political party that is the minority party in the Senate, and two are to be persons who are not involved in partisan political activity. Of the members appointed by the Majority Leader in the Senate who are not Federal officials, one is to have experience at the State level of government.

By the Speaker of the House of Representatives: Six members, a minimum of two and a maximum of three who are to be Members of the House, and the remainder to be persons who are not currently Members of the House. Of the members appointed from the House, one is to be from the majority party and one from the minority party in the House, and the third can be either a current Member or a former Member of the House from the majority party. Of the remaining three members, one is to be from the political party that is the minority party in the House, and two are to be persons not involved in partisan political activity. Of the members appointed by the Speaker of the House who are not Federal officials, one is to have experience at the local level of government.

The section further stipulates that the President is to select a Chairman for the Commission from among the members who are not Federal level officials, and that the Commission is to elect a Vice Chairman from among its members who are not from the party of the Chairman.

Section 4 provides that 10 members of the Commission will constitute a quorum.

Section 4 provides further that any vacancy in the Commission shall not effect its powers and that the person selected to fill a vacancy is to be from the same political party as the person who left the Commission. Any member of the Commission who is a member of Congress or serves in the executive branch and changes this status is to be permitted to remain on the Commission.

COMPENSATION OF COMMISSION MEMBERS

Section 5 of the bill as reported fixes the compensation to be received by the members of the Commission. Members of the Commission who are Members of the Congress or who serve in the executive branch are to serve on the Commission without any compensation in addition to that which they receive for their services as Federal officials. The members of the Commission from private life are to be compensated at the rate in effect for level IV of the Executive Schedule when they are engaged in the performance of duties for the Commission. All members of the Commission are to be reimbursed for travel, subsistence and other necessary expenses incurred in the course of performing duties for the Commission.

COMMISSION STAFF

Section 6 of the bill, as reported, grants the Commission the authority to appoint, terminate, and fix the compensation for the personnel that it determines are needed to assist in the performance of its responsibilities. In so doing the Commission is not bound by the civil service laws, the provisions of title 5 of the United States Code, or any other law relating to the number, classification, or compensation of employees. Additionally, the Commission may procure temporary or intermittent services as it determines are needed to assist in the performance of its responsibilities.

This section further directs the Chairman and Vice Chairman to select an executive director contingent upon confirmation by the members of the Commission. Section 6 as reported stipulates that service to the Commission on the part of an individual is exempted from the provisions of any Federal law relating to conflict of interest, and additionally that service performed by an individual on or for the Commission (whether or not such individual is retired, under the Civil Service Retirement system or otherwise) would not be considered Government service for certain specified purposes.

ADVISORY COUNCILS AND COMMITTEES

Section 7 of the bill as reported authorizes the Commission to establish advisory councils and committees as it determines are needed to perform its duties under the Act. Such advisory committees and councils will not be bound by the terms of the Federal Ad-

visory Committee Act. Persons serving on advisory councils or committees for the Commission are entitled to be reimbursed for travel and subsistence expenses incurred while performing tasks for the Commission.

POWERS OF THE COMMISSION

Section 8 of the bill as reported authorizes the Commission to hold hearings, take testimony, have printing and binding done, and administer oaths and affirmations to witnesses appearing before the Commission. Additionally, Section 8 exempts the Commission itself (as distinguished from the Commission's advisory Councils and committees covered in Section 7) from the provisions of the Federal Advisory Committee Act.

Section 8 authorizes the Commission, to the extent permitted by law, to secure statistics, estimates and other information from officers and agencies of the Government. Upon the request of the Commission, the heads of Federal agencies are authorized to make facilities and services available to the Commission, and are required to notify the Commission in writing if a request cannot be fulfilled.

The section authorizes the Commission to use the United States mail in the same manner as the departments and agencies of the Federal Government.

Section 8 states that no officer or agency of the Federal Government is permitted to require the Commission to report to it prior to its reporting to the Congress and the President.

MEETINGS, PUBLIC INVOLVEMENT, REPORTS, EXPIRATION

Section 9 of the bill as reported describes the schedule for the Commission and emphasizes the importance of the participation of the public in the work of the Commission. The Commission is to meet no later than 6 months after the enactment of the act, and to meet from time to time thereafter as is appropriate. In order to ensure the involvement of the public, the Commission is encouraged to hold public meetings, establish toll-free telephone lines, and other means whereby the public can readily contribute to the deliberations of the Commission. From time to time the Commission is to submit reports to the Congress and the President on the nature of its activities, and 1 year after enactment of the Act the Commission is to report to the Congress and the President on the nature of its agenda and progress. Thirty months after enactment of the Act, the Commission is to submit its final report to the Congress and the President. Ninety days after the submission of this final report the Commission will cease to exist.

PREPARATION FOR THE COMMISSION

Section 10 of the bill as reported calls for the preparation of background information on the subjects for Commission review to be made available to the Commission members prior to its first meeting. The Comptroller General, the Director of the Congressional Research Service, the Director of the Congressional Budget Office, the Director of the Office of Technology Assistance, and the Chairman of the Advisory Commission on Intergovernmental Rela-

tions, upon enactment of the Act are to prepare a catalog of recommendations and a synthesis of reports that have been completed by their respective organizations and that are relevant to the mandate of the Commission. The preparation of this background information is to be completed no later than four months after the enactment of the Act.

MONITORING AND FOLLOWUP ON COMMISSION RECOMMENDATIONS

Section 11 of the bill as reported directs the Comptroller General to monitor the recommendations of the Commission for a period of 4 years after the Commission ceases to exist, and to report periodically to the Congress and the President on the nature of these findings. For a period of 18 months after the Commission ceases to exist, a portion of the staff shall continue to seek the consideration and implementation of the Commission's recommendations. During this period such staff will be under the supervision of and will report to the Director of the Office of Management and Budget.

Section 11 further stipulates that upon the submission of the final report the Director of the Office of Management and Budget is to assist Federal agencies in formulating responses to Commission recommendations, and in implementing those that can be carried out through administrative action or in developing appropriate legislation when required. At least every 6 months the Director of the Office of Management and Budget is to report to the Congress and the President on the nature of actions to implement the Commission's recommendations, and within 4 years after the submission of the Commission's final report the Director is to submit a final report to the Congress and the President on the final disposition of the Commission's recommendations.

EXPENSES OF THE COMMISSION

Section 12 of the bill as reported authorizes the appropriation of $10,000,000 for the purpose of carrying out the Act.

Evaluation of Regulatory Impact

Paragraph 11(b)(1) of rule XXVI of the Standing Rules of Senate requires each report accompanying bill to evaluate "the regulatory impact which would be incurred in carrying out the bill."

S. 35 will not have any direct regulatory impact. It does not authorize any additional regulation of activities in the public or private sector, impose any new record keeping or reporting requirements on any segment of the public, or abolish any existing regulations.

The bill may indirectly affect regulatory policy if the Commission members choose such policy as a subject for their review. This might produce an examination of the process by which regulations are created, implemented, and reviewed, or possibly a series of case examples of specific regulatory actions. The intent of this review would be to improve the process by highlighting positive examples of regulatory action and instances where less regulation is desirable.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., March 24, 1983.

Hon. WILLIAM V. ROTH, Jr.,
Chairman, Committee on Governmental Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 35, a bill to establish a Commission on More Effective Government, with the declared objective of improving the quality of government in the United States and of restoring public confidence in government at all levels.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

JAMES BLUM,
(For Alice M. Rivlin, Director).

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE, MARCH 24, 1983

1. Bill number: S. 35

2. Bill title: A bill to establish a Commission on More Effective Government, with declared objective of improving the quality of government in the United States and of restoring public confidence in government at all levels.

3. Bill status: As ordered reported by the Senate Committee on Governmental Affairs, March 17, 1983.

4. Bill purpose: The purpose of this bill is to establish a commission to study and make recommendations concerning the management of the executive branch and independent regulatory agencies of the federal government. The commission would be composed of 18 members and would have the authority to appoint a staff and establish advisory councils and committees. The commission would first convene within 6 months after the date of enactment. The commission would be required to submit its final report to the Congress and the President 24 months after the enactment date and would cease to exist 90 days later. For a period of 18 months after the termination date of the commission, a portion of the staff would continue to seek the consideration and implementation of the commission's recommendations. Section 12 of the bill would authorize the appropriation of $10 million to carry out the provisions of the bill.

5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1984	1985	1986	1987	1988
Authorization level	10.0				
Estimated outlays	4.0	4.5	1.0	0.5	

The costs of this bill fall within budget function 800.

Basis of Estimate: This estimate assumes that the full amount authorized in the bill would be appropriated. An enactment date of

June 1, 1983, has been assumed. Based on this assumption, the commission would be required to hold its first meeting by December 1, 1983. It is expected that most of the work of the commission would be undertaken during fiscal years 1984 and 1985. The outlays estimated for fiscal years 1986 and 1987 are for obligations made in prior years and for the salaries and expenses of the residual staff that would be employed through March, 1987. Outlays have been estimated based on spending patterns of past commissions.

Additional costs will be incurred by the Congressional support agencies and the Advisory Commission on Intergovernmental Relations to prepare briefing papers synthesizing and cataloging recent reports and analyses for the Commission. No original research will be required and the costs are not expected to be significant. The briefing papers are to be completed within four months after enactment of the bill.

6. Estimated cost to State and local governments: None.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Judy L. Walker.

10. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

The Committee feels that the authorization level set for the S. 35 Commission is appropriate. The expenditure of these funds is justified by the scale of the tasks to be undertaken by the Commission and the anticipated rewards of its contribution.

While the primary effect of the Commission's work should be to encourage improvements in the performance of government and the delivery of public services, substantial cost savings should result as well. Naturally, it is impossible to estimate precisely potential savings from the Commission's recommendations. The results of the two Hoover Commissions, however, give some indication of the potential scale of these savings.

The House Government Operations Committee "Summary of the Objectives, Operations, and Results" of the first Hoover Commission stated:

> Action on the first Hoover Commission's recommendations has undeniably yielded great savings to the Federal Government. For savings resulting from proposals actually implemented as of 1952, the estimates hover around $2 billion.

The second Hoover Commission estimated that savings resulting from the adoption of its recommendations were as high as $4 billion, although a more conservative estimate of $1 billion has wider acceptance.

It should be pointed out that implementation of a single major Commission recommendation can yield substantial savings. For example, the Citizen's Committee monitoring the first Hoover Commission noted that an annual savings of $250 million has been estimated to have resulted from the adoption of the Commission's recommendations for a standardized procurement system.

These estimated savings, when measured against the roughly $4.7 million that represents the combined cost of the two Hoover Commissions, provide ample justification for their existence. The

Committee feels that the funds authorized for the S. 35 Commission similarly will prove to be a wise investment.

The Committee notes that permanent bureaucracies have the tendency to overspend public funds in order to justifiy equal or greater funding requests in succeeding years. The S. 35 Commission, because of its temporary nature, will not be subject to this tendency. While the Committee feels that the full appropriation is merited to carry out the purposes of the Act, it can foresee the possibility that funds may remain unexpended when the work of the Commission and its staff is completed. Such unexpended funds of course would revert to the Treasury.

Rollcall Vote in Committee

In compliance with paragraph 7(c) of rule XXVI of the Standing Rules of the Senate, the rollcall vote taken during committee consideration is as follows: 10 yeas; 0 nays.

Vote on final passage, as amended by the Eagleton amendment to require submission of an interim report to the Congress and the President one year after enactment of the Act;

Yeas—10	Nay—0
Percy	
Stevens	
Cohen	
Durenberger	
Rudman	
Cochran	
Eagleton	
Sasser	
Levin	
Roth	

Changes in Existing Law

Paragraph 12 of rule XXVI of the Standing Rules of the Senate requires that changes in existing law made by the bill be reported. S. 35 exempts the Commission and such advisory committees and advisory councils as it may establish from the provisions of the Federal Advisory Committee Act. These exemptions were placed in S. 35 as reported. The legislation, therefore, does not directly amend the Federal Advisory Committee Act.

[S. 35, 98th Cong., 1st sess.]

[Omit the part struck through and insert the part printed in italic]

A BILL To establish a Commission on More Effective Government, with the declared objective of improving the quality of government in the United States and of restoring public confidence in government at all levels

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

SECTION 1. It is the policy of the Congress to develop a blueprint for better government in the United States, to set in motion processes by which the Federal Government can more effectively and responsively serve the people for whom it was created and can more rationally meet its present and future challenges, both national and international, and to encourage and justify the full restoration of public confidence in government at all levels.

ESTABLISHMENT OF COMMISSION

SEC. 2. For the purpose of carrying out the policy set forth in section 1, there is hereby established a commission to be known as the Commission on More Effective Government (in this Act referred to as the "Commission").

IMPLEMENTATION OF POLICY BY COMMISSION

SEC. 3. (a) In carrying out the policy set forth in section 1, the Commission shall consider and study the management, operation, and organization of the executive branch and of the independent regulatory agencies of the Federal Government, including the relationships of such entities to each other, to the other branches of the Federal Government, to their State and local governmental counterparts, and to the private sector. Such study and consideration shall give particular attention to the extent to which such relationships and established patterns of action meet or fail to meet governmental responsibilities and are adequate to meet the challenges of the future. Where appropriate and necessary, the Commission's consideration and study shall include the extent to which the policies implemented by the executive branch and the independent regulatory agencies detract from or enhance governmental management, operation, and organization.

(b) On the basis of its considerations and study under subsection (a), the Commission shall make recommendations, including but not limited to specific proposals for changes in Federal laws, regulations and administrative practices, to promote economy, effectiveness, efficiency, and managerial and political accountability, and to improve services and management in the transaction of the public business. Such recommendations shall include, where appropriate, recommendations for altering the present distribution of functions and activities among the Federal agencies and among the Federal, State, and local governments.

(c) In carrying out its consideration and study under subsection (a), the Commission shall avail itself of relevant information and data gathered by such public and private organizations and individuals as it deems appropriate.

ORGANIZATION OF THE COMMISSION

SEC. 4. (a) The Commission shall be composed of eighteen members as follows:

(1) Six appointed by the President of the United States; a maximum of three from the executive branch, and the balance, persons who are not Federal officials.

(2) Six appointed by the Speaker of the House of Representatives; a minimum of two and a maximum of three from the House of Representatives, and the balance, persons who are not current Members of the House of Representatives.

(3) Six appointed by the President pro tempore of the Senate, upon the recommendations of the majority and minority leaders of the Senate; a minimum of two and a maximum of three from the Senate, and the balance, persons who are not current Members of the Senate.

Members of the Commission shall to the maximum extent possible be chosen from among persons who have particular knowledge and expertise in the major areas of the Commission's consideration and study. Of the members appointed by the President, one shall have had experience in government at the State or local level; of the members who are not Federal officials appointed by the Speaker of the House of Representatives, one shall have had governmental experience at the local level; and of the members who are not Federal officials appointed by the President pro tempore of the Senate, one shall have had governmental experience at the State level. In considering individuals for membership, preference shall be given to persons with a broad knowledge and understanding of the working of the Federal system of the United States of America.

(b)(1) Of the members appointed by the President from persons who are not Federal officials under subsection (a)(1), three shall be from the major political party which is not the party of the President, and at least two shall be persons not engaged in partisan political activity.

(2) Of the members appointed from the House of Representatives under subsection (a)(2), one shall be from the political party which is the majority party in the House and one shall be from the political party which is the minority party in the House. At his discretion, the Speaker may appoint either a second incumbent Representative from the majority party in the House or a former Representative from that same party. Of the remaining three members appointed under such subsection, two shall be persons not engaged in partisan political activity. Of these three remaining members one shall be from the political party which is the minority party in the House. In appointing members under subsection (a)(2) who are from the political party which is the minority party in the House, the Speaker shall obtain the advice and consent of the minority leader of the House.

(3) Of the members appointed from the Senate under subsection (a)(3), one shall be from the political party which is the majority party in the Senate and one shall be from the political party which is the minority party in the Senate. At his discretion, the President pro tempore of the Senate may appoint either a second incumbent Senator from the majority party in the Senate or a former Senator from that same party. Of the remaining three members appointed under such subsection, two shall be persons not engaged in partisan political activity. One of these three remaining members shall be from the political party which is the minority party in the Senate.

(4) For the purposes of this Act, the term "persons not engaged in partisan political activity" shall mean persons who for at least

six months prior to appointment as a member of the Commission, have not occupied or sought elected public office, or have not served as an official of a State or national political party.

(c) The President shall select a Chairman from among the Commission members who are not Federal officials at the time of appointment. The selection by the President of the Chairman shall be subject to the approval of a majority vote of the members of the Commission, conducted by secret ballot. The Commission shall elect from among its members a Vice Chairman from the major political party which is not the party of the Chairman. The Commission shall adopt such rules and regulations as may be necessary to establish its procedures and to govern the manner of its operations, its organization, and its personnel.

(d) Ten members of the Commission shall constitute a quorum.

(e) Any vacancy in the Commission shall not affect its powers, but shall be filled in the manner in which the original appointment was made. Any individual appointed to fill a vacancy in the Commission shall be of the same political party as his predecessor.

(f) An individual who is appointed to the Commission in the status of a Member of Congress or in the status of a person in the executive branch of the Government, and who thereafter ceases to have such status, shall nevertheless continue as a member of the Commission and shall (if he has returned to private life except for his membership on the Commission) be treated as an individual appointed from private life for purposes of compensation under section 5.

COMPENSATION OF COMMISSION MEMBERS

SEC. 5. (a) The members of the Commission who are Members of Congress or who are in the executive branch of the Government shall serve on the Commission without any compensation in addition to that received for their services as Members of Congress or in the executive branch. The members of the Commission from private life shall each be paid compensation at a rate equal to the rate of basic pay in effect for level IV of the Executive Schedule when engaged in the performance of the duties vested in the Commission.

(b) All members of the Commission shall be reimbursed for travel as authorized by section 5703 of title 5, of the United States Code, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

COMMISSION STAFF

SEC. 6. (a) The Commission shall have power to appoint, terminate, and fix the compensation of such personnel as it deems advisable to assist in the performance of its duties, without regard to the civil service laws and without regard to the provisions of title 5 of the United States Code (or of any other law) relating to the number, classification, or compensation of employees. The Commission may also procure, as authorized by section 3109 of title 5, United States Code, temporary and intermittent services to the same extent as is authorized by law for agencies in the executive branch but at rates not to exceed the daily equivalent of the maxi-

mum annual rate of basic pay in effect for grade GS–18 of the General Schedule. The Chairman and Vice Chairman shall select an executive director for the Commission contingent upon confirmation by the Commission members.

(b) Service of an individual as a member of the Commission (or of an advisory council or committee under section 7) or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of any Federal law relating to conflicts of interest or otherwise imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with claims, proceedings, or matters involving the United States. Service as a member of the Commission (or of such an advisory council or committee), or as an employee of the Commission, shall not be considered service in an appointive or elective position in the Government for purposes of section 8344 of title 5, United States Code, or comparable provisions of Federal law.

ADVISORY COUNCILS AND COMMITTEES

SEC. 7. The Commission may establish (without regard to the Federal Advisory Committee Act) such advisory councils and advisory committees as it may deem appropriate to provide specialized assistance in the performance of the duties vested in the Commission by this Act. Members of such advisory councils and committees, while attending meetings of such councils or committees or while otherwise serving at the request of the Commission away from their homes or regular places of business (unless otherwise eligible for travel and subsistence expenses under chapter 57 of title 5, United States Code), may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for individuals in the Government serving without pay.

POWERS OF THE COMMISSION

SEC. 8. (a) The Commission or any member authorized by the Commission may, for the purpose of carrying out this Act, hold such hearings and sit and act at such times and places, take such testimony, have such printing and binding done, enter into such contracts and other arrangements (with or without consideration or bond, to such extent or in such amounts as are provided in appropriation Acts, and without regard to section 3709 of the Revised Statutes (41 U.S.C. 5)), make such expenditures, and take such other actions as the Commission or such member may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before such member. The provisions of the Federal Advisory Committee Act shall not apply to the Commission established under this Act.

(b) The Commission is authorized to secure directly from any officer, department, agency, establishment, or instrumentality of the Government such information, suggestions, estimates, and statistics

as the Commission may require for the purpose of this Act; and each such officer, department, agency, establishment, or instrumentality is authorized and directed to furnish, to the extent permitted by law, such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman.

(c) Upon request of the Commission, the head of any Federal agency is authorized to make any of the facilities and services of such agency available to the Commission or to detail any of the personnel of such agency to the Commission, on a reimbursable basis, to assist the Commission in carrying out its duties under this Act, unless the head of such agency determines that urgent, overriding reasons will not permit the agency to make such facilities, services or personnel available to the Commission and so notifies the Chairman in writing.

(d) The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(e) No officer or agency of the United States shall require the Commission to submit any report, recommendation, or other matter to any such officer or agency for approval, comment, or review before submitting such report, recommendation, or other matter to the Congress or to the President.

MEETINGS, PUBLIC INVOLVEMENT, REPORTS, EXPIRATION

SEC. 9. (a) The Commission shall first convene no later than six months after the date of enactment of this Act, and shall meet from time to time thereafter, as its members deem appropriate.

(b) Consistent with other provisions of this Act, the Commission shall structure its operations and activities to assure the appropriate and meaningful involvement of the public in its deliberations. In doing so, the Commission shall consider the desirability of holding public hearings, particularly in locations outside of the District of Columbia and of establishing toll-free telephone lines or other mechanisms whereby members of the public can readily contribute suggestions for Commission consideration.

(c) The Commission shall from time to time submit to the Congress and the President such reports as it may deem appropriate with respect to its activities under this Act. One year after ~~it first meets,~~ *the date of enactment of this Act,* the Commission shall report to the Congress and the President on its agenda and its progress. Twenty-four months after the date of enactment of this Act, the Commission shall submit to the Congress and the President its final report with respect to such activities, including all of its findings and recommendations.

(d) Ninety days after the submission to the Congress and the President of its final report under subsection (c), the Commission shall cease to exist, except as provided under section 11(b).

PREPARATION FOR THE COMMISSION

SEC. 10. Upon enactment of this Act, the Comptroller General, the Director of the Congressional Research Service, the Director of the Congressional Budget Office, the Director of the Office of Tech-

nology Assessment, and the Chairman of the Advisory Commission on Intergovernmental Relations shall begin to prepare briefing papers for the Commission. Such briefing papers shall catalog and synthesize any recent reports, analyses, and recommendations of the respective organizations, and shall contain such other information deemed by the head of each such organization to be pertinent to the work of the Commission. The briefing papers shall be completed no later than four months after the date of enactment of this Act.

MONITORING AND FOLLOWUP ON COMMISSION RECOMMENDATIONS

SEC. 11. (a) For a period of four years after the Commission ceases to exist, the Comptroller General shall monitor the implementation of the recommendations of the Commission, and shall report periodically to the Congress and the President on the actions being taken to implement such recommendations.

(b) For a period of eighteen months after the Commission ceases to exist, a portion of the staff shall continue to seek the consideration and implementation of the recommendations of the Commission. During such period, such staff shall be under the supervision of and shall report to the Director of the Office of Management and Budget.

(c) Upon submission of the Commission's final report to the President under section 9(c) the Director of the Office of Management and Budget, in coordination with the executive agencies, shall take action to (1) formulate the views of the executive agencies on the recommendations of the Commission; (2) to the extent practicable within the limits of their authority and resources, carry out recommendations of the Commission in which they concur; and (3) propose legislation needed to carry out or to provide authority to carry out other recommendations of the Commission in which they concur. At least once every six months, the Director of the Office of Management and Budget shall report to the Congress and the President on the status of action taken or to be taken as provided herein. A final report on the final disposition of the recommendations shall be submitted within four years after the submission of the Commission's final report under section 9(c).

EXPENSES OF THE COMMISSION

SEC. 12. There are hereby authorized to be appropriated $10,000,000 to carry out this Act.

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